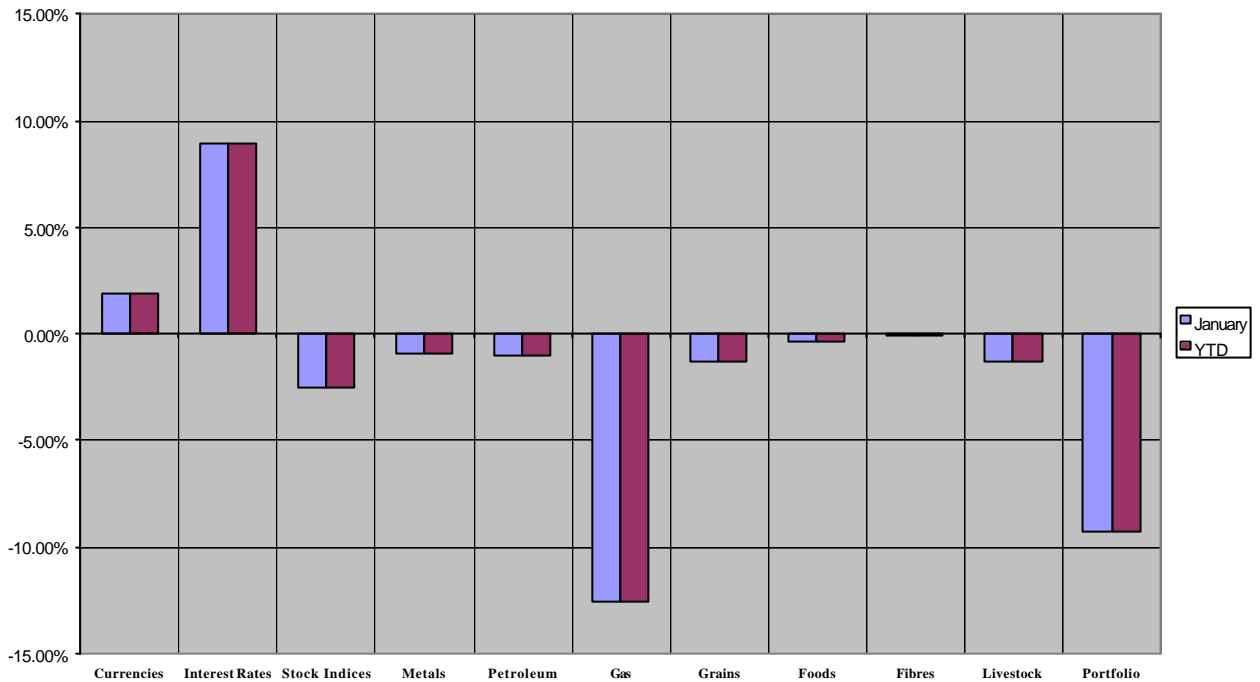


Mulvaney Capital Management Ltd - Gross Returns By Market Sector - January 2001



Jan 2001 %	+1.89	+8.96	-2.48	-0.95	-0.99	-12.57	-1.28	-0.40	-0.10	-1.32	-9.24
YTD 2001 %	+1.89	+8.96	-2.48	-0.95	-0.99	-12.57	-1.28	-0.40	-0.10	-1.32	-9.24

Having grossed over 50% between May and December 2000, the portfolio finally encountered stormy water, mainly due to a sharp pullback in Natural Gas, which was the major contributor to a gross return of -9.24% on the month.

#### Financials:

The financial markets taking centre-stage again in January were bonds and short interest rates. Short-term US yield instruments rallied between 50 and 100 bps during the month. Total gross P&L contribution was +8.96%.

Elsewhere, in the currency sector, short positions in the Yen, Pound and Australian dollar were the major components of a +1.89% gross gain, but a loss of 2.48% was taken in stock indices, which rallied in the aftermath of the surprise 50bp US interest rate cut on January 3<sup>rd</sup>. We remain short global stock markets, though by month-end our stop loss levels in North America and Europe were within sight.

#### Tangible Commodities:

In January Natural Gas retraced the entire December upmove. Whilst the net impact on P&L since the end of November has not been particularly significant, the effect on earnings volatility has been huge and undesirable. The mitigation of such events is the focus of ongoing research. By comparison, price action in the other commodity groups was uneventful.

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